It has long been settled that a drawee who pays on a forged bill cannot recover from a holder in due course. *Price* v. *Neal*, 3 Burr. 1354; NEG. INST. LAW., Sec. 62, "The acceptor * * * admits * * * the existence of the drawer, the genuineness of his signature, and his capacity and authority to draw the instrument." *McLendon* v. *Bank of Advance*, 188 Mo. App. 417. The theory generally stated is that the drawee is bound to know the drawer's signature, though there is some conflict as to the proper theory. See 4 HARV. L. REV. 297; WOODWARD, QUASI-CONTRACTS, Sec. 91. The rule applies to the Treasurer of the United States. *United States* v. *Bank of New York*, 219 Fed. 648, L. R. A. 1915, D 797. It is equally well settled that the holder must have had *title* to the instrument, otherwise the drawee can recover the money paid to him, and a forged indorsement does not pass the title to the indorsee. DANIEL ON NEG. INST., Sec. 1364. If, however, the forged indorsement is on the bill when issued by the drawer, it is the drawer and not the indorser through whom the holder derives title. *Hortsman* v. *Henshaw*, 11 How. 177. Also, if the payee named is a fictitious payee, the instrument is payable to bearer. *Governor, etc.*, v. *Vagliano Bros.*, (H. of L.) [1891] App. Cas. 107. As to when a nominal payee is in fact fictitious, see 18 MICH L. REV. 296. The principal case appears to put its decision on the first proposition.

CARRIERS—CUMMINS AMENDMENT AS TO LIMITATION OF LIABILITY.—Action for loss of grain on an interstate shipment in November, 1915, under the uniform bill of lading. This provided that the amount of the loss should be computed on the basis of the value of the property at the time and place of shipment. Plaintiff claimed the value at destination, less freight charges, on the ground that the Cummins Amendment made the above stipulation void. *Held*, that the shipper was entitled to recover the full, actual loss. *C. M. & St. P. Ry. Co.* v. *McCaull-Dinsmore Co.* (U. S., May 17, 1920, —— U. S. ——.

The Cummins Amendment became law in March, 1915, and was largely superseded by the act of August, 1916. This in turn will be succeeded by legislation by the present Congress. The result is that not many cases under the Cummins Amendment have reached or are likely to reach courts of last resort. On previous cases, see 17 MICH L. REV. 183. The present case holds that the Cummins Amendment means what it seems to say, viz., that the carrier is liable to the lawful holder of the bill of lading for the full, actual loss, no matter how he may seek to modify his liability. A similar attitude of the court toward the language of the Carmack Amendment would have prevented most of the litigation reviewed in previous volumes of the REVIEW and probably have avoided the Cummins Amendment and other statutes passed for the very reason that the Carmack Amendment was so emasculated by judicial interpretation. As to the "Transportation Act of 1920," see *U. S.* v. *Alaska S. S. Co.* (U. S., May 17, 1920, per Day, Justice).

CARRIERS—RACE SEGREGATION—APPLICATION TO INTERSTATE CARRIERS OF SEPARATE COACH LAW.—Defendant operates an interstate interurban railway system between Cincinnati, Ohio, and a point six miles distant in the out-

skirts of Covington, Kentucky. Its cars are solely engaged in interstate trips, and 80 per cent of its passengers are interstate. Not over six per cent at any time are colored, and on a large proportion of the trips there are no colored passengers. The Kentucky statute requires, and the Ohio forbids, separate cars or compartments for white and colored passengers. On indictment of defendant for violation of the Kentucky statute, *held,* not a regulation of interstate commerce; the act affects interstate business incidentally and does not subject it to unreasonable demands. *South Covington & Cincinnati St. Ry. Co.* v. *Com. of Ky.* (U. S. Supreme Court, April 19, 1920), — U. S. —.

Our dual form of government will to the end of time, if it lasts so long, furnish cases like the present of nice distinctions marking out the limits of the states in the exercise of police power affecting interstate agencies. Cases like *Ill. Cent. R. Co.* v. *Public Utilities Com.,* 245 U. S. 493, and others reviewed in 16 MICH. L. REV. 379, seem to leave the state very little of its police power, but now and again the courts check the tendency toward centralization in the Federal government by a decision like the present. Defendant railway enjoyed a Kentucky franchise granted to a subsidiary company, but nearly all its business was interstate, and it operated only interstate cars. There was not enough Kentucky business to justify separate cars, and if it made separate compartments on all its cars it would violate an Ohio statute, and the compartments for colored passengers would be empty or nearly so most of the time. It is not strange that three of the justices concurred in a dissent written by Mr. Justice Day, calling the statute in question as here applied an unreasonable regulation and burdensome to interstate commerce. This dissent derives added interest from the fact that in a case decided but a month earlier Mr. Justice Day wrote the opinion of the court, upholding the right of the State of New York to regulate the price of gas piped from Pennsylvania, on the ground that state laws regulating matters of local interest, but affecting interstate commerce, are operative until Congress acts. *Pa. Gas Co.* v. *Pub. Service Com.* (U.S. Sup. Ct., March 1, 1920). This occasional guarding of state control was still more significantly exhibited in *Public Utilities Com.* v. *Laudon,* 249 U. S. 236, holding that retailing gas piped into the state from another state was intrastate, and not interstate, commerce. Our dual form of government is still dual, but the boundaries between state and federal powers are ever uncertain lines. See the prevailing and dissenting opinions in *Pa. L. Co.* v. *Pub. Service Com.* (U. S. Sup. St., Nov. 10, 1919), as to the power of the State of Pennsylvania to prescribe the equipment for the platform of the rear coach of a train moving in interstate commerce. The rear car chanced to be a mail car for which federal authority had prescribed specifications conflicting with the Pennsylvania law. The state had to give way to the federal requirements. But the significant thing is that, after all these years of attempts to draw the boundary line, the Supreme Court has divided on so simple a case as this.